

**Calgary Municipal Land Corporation Report to  
Audit Committee  
2019 June 27**

**ISC: UNRESTRICTED  
AC2019-0528**

## **Calgary Municipal Land Corporation Audit Committee Annual Report**

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### **EXECUTIVE SUMMARY**

This is the annual report from the Calgary Municipal Land Corporation (CMLC) Audit and Finance Committee to The City's Audit Committee.

#### **CALGARY MUNICIPAL LAND CORPORATION RECOMMENDATION:**

That the Audit Committee receives this report for Information.

### **PREVIOUS COUNCIL DIRECTION / POLICY**

The City of Calgary Audit Committee Bylaw 48M2012, states that the Audit Committee is responsible for:

“overseeing its governance responsibility with audit committees of The City’s major autonomous civic entities.”

Section 4(1)(i)

### **BACKGROUND**

A letter dated 2019 April 10 was provided to the Chair of the Calgary Municipal Land Corporation from the City of Calgary Audit Committee Chair requesting a report and presentation on its 2018 Annual Report, risk management processes and the Audit and Finance Committee terms of reference.

The letter outlined the items to be provided in their annual report to The City’s Audit Committee, as follows:

1. Brief summary on governance structure, succession planning and recruitment process, recent financial highlights and key 2019 initiatives/strategy;
2. Report on the organization’s key operating and strategic risks including trends and risk management plans and processes;
3. Analysis of the top three financial and/or operational risks that in our opinion would impact the City of Calgary and be of concern to the City’s Audit Committee;
4. Report on internal controls including information technology and systems;
5. Most recent management letter including management responses as appropriate; and Audit Committee 2019 Work Plan.

As requested in the letter, presenters of the report will be prepared to answer the following questions:

1. What is the frequency of review and are there any recent changes to the Audit Committee Charter or Terms of Reference?
2. What is the current composition of the Audit Committee and what is their relevant financial experience?
3. Have there been any significant changes to organizational leadership?
4. Are there any regulatory or market changes that may impact the current business approach and would they be relevant to share publicly with the Audit Committee?

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5. Are there any results of any regulatory or internal/external business assessments that provide assurance on the effective management of risks as addressed in your presentation?
6. What initiatives are currently in progress to improve the efficiency of your processes? (e.g. sustainable operations, key performance indicators and relevance of the organization in the future)

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

This report responds to The City Audit Committee's reporting requirements of the CMLC Board.

In 2005 the City's Audit Committee initiated a review of The City's governance structures pertaining to its main subsidiary organizations, and autonomous civic entities that represent significant assets to The City of Calgary and/or have significant operating budgets.

This annual report from the CMLC Board is one of the changes that were implemented as part of the governance review. As such, this eleventh annual report is intended to be an ongoing dialogue between The City of Calgary and The CMLC Board. It is anticipated the annual report from the CMLC Board will continue to evolve over time to meet The City Audit Committee's information requirements in discharging its governance responsibilities.

#### **Stakeholder Engagement, Research and Communication**

No implications for this report.

#### **Strategic Alignment**

This report aligns with The City Audit Committee's governance responsibility to receive annual reports on matters of audit governance, including the organization's most recent annual financial statements, from the Calgary Municipal Land Corporation.

#### **Social, Environmental, Economic (External)**

No implications for this report.

#### **Financial Capacity**

##### ***Current and Future Operating Budget:***

Not applicable.

##### ***Current and Future Capital Budget:***

Not applicable.

#### **Risk Assessment**

No implications for this report.

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**REASON(S) FOR RECOMMENDATION(S):**

The Audit Committee oversees its governance responsibility with audit committees of The City's major autonomous civic entities and an annual report is requested annually.

**ATTACHMENT(S)**

1. CMLC 2019 Initiatives and Succession Planning.
2. CMLC Audit Committee Terms of Reference.
3. CMLC Audit Committee 2019 Work Plan.
4. CMLC Control Environment Assessment.
5. CMLC Risk Register.
6. Deloitte - CMLC 2018 Audit Results and Communications.
7. CMLC 2018 Financial Statements and Auditor's Report.